

Introduced by Senator Perata

February 18, 2004

An act to add Section 14105.32 to the Health and Safety Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1333, as introduced, Perata. Medi-Cal: drug contracts: lowest price.

Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care services, including prescription drugs. Existing law authorizes the department to enter into contracts with manufacturers of drugs on a bid or nonbid basis and requires the department to maintain a list of those drugs for which contracts have been executed. Existing law requires that contracts executed pursuant to this provision be for the manufacturer's best price. Existing law defines "best price" as the negotiated price, or the manufacturer's lowest price available to any class of trade organization or entity, including, but not limited to, wholesalers, retailers, hospitals, repackagers, providers, or governmental entities within the United States, that contracts with a manufacturer for a specified price for drugs, inclusive of cash discounts, free goods, volume discounts, rebates, and on- or off-invoice discounts or credits.

This bill would require, notwithstanding any other provision of law, that the department negotiate contracts with drug manufacturers for purposes of the Medi-Cal program that result in drug prices that are the same as or less than the lowest price given to any federal, state, or local government.



Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14105.32 is added to the Welfare and
2 Institutions Code, to read:
3 14105.32. Notwithstanding any other provision of law, for
4 purposes of this chapter the department shall negotiate contracts
5 with the manufacturers of drugs that result in drug prices that are
6 the same as or less than the lowest price given to any federal, state,
7 or local government.

